

**1.0 Executive Director's Office - Fuel Mitigation****Summary**

The program of Mitigation of underground fuel storage tanks is funded in the Executive Director's Office and administered by the Division of Fleet Operations. The purpose of the program is to consolidate the responsibility for coordinating and effecting State compliance with Environmental Protection Agency (EPA) and Utah Department of Environmental Quality regulations.

*Regulated Activities*

Federal standards regulate the following activities:

1. Installation of new underground storage tanks
2. Continued use of existing underground storage tanks
3. Corrective action response to new fuel releases
4. Closure of existing underground storage tanks
5. Financial responsibility for damage caused by underground storage tanks

Since January 1991, the Division of General Services and now the Division of Fleet Operations has removed 562 underground storage tanks. This number includes tanks that were discovered after the initial inventory performed in 1990 under the direction of Governor Bangerter's Underground Storage Tank Task Force. All initial projections were based on tank inventories compiled at that time. Fleet Operations currently operates 146 facilities as fully-automated fuel sites that are upgraded to meet all EPA required standards and function as part of the State fuel network.

	<b>FY 1999</b>	<b>FY 2000</b>
<b>Fuel Mitigation</b>	<b>Estimated</b>	<b>Analyst</b>
General Fund (One-time)	\$200,000	
Uniform School (One-time)		
Transfers/Other	300,000	
Beginning Nonlapsing	982,400	
<b>Total</b>	<b>\$1,482,400</b>	<b>\$0</b>

## **2.0 Budget Highlights: Fuel Mitigation**

### **2.1 1999 EPA mandate to mitigate state owned underground storage tanks will require additional funding**

The State is required to comply with Federal mandates governing underground storage tanks. The original compliance deadline was December 22, 1998. The federal government recently pushed back the date, but the State of Utah was one of the few states in compliance by the original deadline. All projects should have at least been initiated during this budget period. The consolidated fuel network, a product of the mitigation effort, meets demands of school districts, municipalities, counties, special districts, and other governmental agencies in addition to State agencies and has helped many local governments to reduce liability through tank elimination.

It was estimated that the FY 1998 appropriation should complete the work needed to meet the EPA mandate. However, additional sites and complications with existing sites may require additional funding for FY 1999. In this event, the Analyst will recommend supplemental funding for FY 1999.

### **2.2 Recommended intent language**

*It is the intent of the Legislature that funds in the Department of Administrative Services-Underground Fuel Tank Mitigation program are nonlapsing.*

### 3.0 Programs - Fuel Mitigation

#### Recommendation

The Analyst is considering underground storage tank mitigation as one time funding, removing the need for a base recommendation in FY 2000. However, the Analyst will recommend a supplemental appropriation to complete projects under way in FY 1999. This should be the last year of Fuel Mitigation funding, as the State of Utah is one of the few states to meet federal compliance standards on time. While many projects will continue beyond FY 1999, the Division of Fleet Operations will meet expenses through a combination of agency transfers and internal service fund rate adjustments.

	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
General Fund	\$260,000		
General Fund (One time)		\$200,000	
<b>Total General Fund</b>	<b>\$260,000</b>	<b>\$200,000</b>	
Uniform School (One time)			
Other 1	\$620,000	\$300,000	
Beginning Nonlapsing	\$2,093,600	\$982,400	
Closing Nonlapsing	(\$982,400)		
<b>Total</b>	<b>\$1,991,200</b>	<b>\$1,682,400</b>	
<b>Expenditures</b>			
Travel	\$500	\$500	
Current Expense	\$1,126,900	\$241,900	
Capital Outlay	\$863,800	\$1,240,000	
<b>Total</b>	<b>\$1,991,200</b>	<b>\$1,482,400</b>	<b>\$0</b>

#### Summary

In addition to the underground tank mitigation, the Division has replaced a substantial number of emergency generator tanks at the colleges and universities as well as at a variety of other facilities. The Division has also installed aboveground vaulted tanks at 58 locations where the volume does not support being online with the fuel network, but where fuel is required due to lack of alternatives or for critical on-site use. Such facilities include Dead Horse Point State Park, Sardine Summit, Palisade State Park, Bear Lake State Park, etc.

The State benefited from the Petroleum Storage Tank Fund in FY 1997 by receiving \$501,900 for eligible mitigation on state sites. In 1998, the State received \$413,400 from the Petroleum Storage Tank Fund. It is noted that the one half cent per gallon charged to distributors for the Petroleum Storage Tank Fund has now been diverted for highway funding.

The pages that follow reflect a summary of FY 1998 and FY 1999 activity and the specific projects to be completed.

**FY 1999 Projects****General Funds**

<b><u>Site</u></b>	<b><u>Tanks</u></b>	<b><u>Scope of Work</u></b>	<b><u>Estimate</u></b>
AmFork-Raintree	1	Remove/Replace	\$15,000
Corrections-3 sites	3	Remove/Replace	60,000
Dixie College	5	Remove/Replace	50,000
DNR-MP	3	Remove/Replace	125,000
Kaysville Davis ATC	3	Remove	19,000
Ogden-Millcreek	1	Remove/Replace	15,000
Ogden Reg Center	1	Upgrade	19,000
U of U Hospital	3	Upgrade heat oil	400,000
USU Heat oil	19	Upgrade heat oil	400,000
USU Motor Pool	3	Remove/replace	118,107
UVSC Warehouse	1	Remove	4,500
West Jordan City	3	Upgrade	15,000
Provo Reg Center	2	Upgrade	10,000
WSU	15	Upgrade	<u>30,000</u>
		<b>Total</b>	<b><u>\$1,280,607</u></b>

**Transfer Funds**

<b><u>Site</u></b>	<b><u>Tanks</u></b>	<b><u>Scope of Work</u></b>	<b><u>Estimate</u></b>
Cache Junction UDOT	1	Upgrade	\$10,000
Cove Fort UDOT	2	Move Equipment	3,000
Escalante UDOT	1	Upgrade	12,000
Fairview UDOT	1	Upgrade	129,689
Grantsville UDOT	2	Upgrade	3,000
Hanksville UDOT	2	Remove	8,000
Huntington UDOT	1	Remove	6,552
Junction UDOT	2	Remove heat oil	8,000
Milford UDOT	1	Upgrade	7,997
Ogden HQ UDOT	2	Remove	15,000
Park Valley UDOT	2	Remove/Replace	90,000
Salina UDOT	2	Remove heat oil	8,000
Sevier UDOT	2	Remove/Replace	90,000
Spanish Fork UDOT	2	Remove/Replace	10,000
Tropic UDOT	1	Upgrade	6,829
West Valley UDOT 224	2	Remove	5,933
UDOT Monitor Upgrades: Clinton, Colton, Bluff, Beryl, Hurricane, Randolph, Loa, Heber, Panguitch, Kamas, Brigham, Moab, Monticello, Meadow, Mt. Carmel, Snowville, Gunnison, Greendale, Lehi			
		Upgrade	<u>\$66,000</u>
		Subtotal	<u>470,000</u>
		<b>Total</b>	<b><u>\$1,750,607</u></b>

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**Historical Summary of Funding**

	<b>General Fund</b>	<b>Trans. Fund</b>	<b>Uniform School Fund</b>	<b>Total</b>
FY 1991	\$3,500,000	\$100,000		\$3,600,000
FY 1992				-
FY 1993	1,170,000	1,993,300		\$3,163,300
FY 1994	3,446,300	1,000,000		\$4,446,300
FY 1995				-
FY 1996	1,600,000	1,000,000		\$2,600,000
FY 1997	900,000	600,000		\$1,500,000
FY 1998	700,000	180,000		\$880,000
FY 1999	200,000	300,000		\$500,000
FY 2000				-
<b>Total</b>	<b>\$11,516,300</b>	<b>\$5,173,300</b>	<b>\$0</b>	<b>\$16,689,600</b>
* Supplemental recommendation				

**4.0 Tables: Executive Director's Office - Fuel Mitigation**

	<b>FY 1995</b>		<b>FY 1997</b>	<b>FY 1998</b>		<b>FY 2000</b>
<b>Financing</b>		<b>Actual</b>	<b>Actual</b>		<b>Estimated</b>	<b>Analyst</b>
General Fund	\$1,887,000		\$800,000	\$260,000		
General Fund (One-time)					\$200,000	
Total General Fund	\$1,887,000		\$800,000	\$260,000	\$200,000	
Uniform School (One-time)	143,000					
Transportation	1,050,000	982,000	850,000			
Transfers/Other				620,000	300,000	
Beginning Nonlapsing	2,102,000	2,945,000	2,565,200	2,093,600	982,400	
Closing Nonlapsing	(2,945,000)	(2,565,200)	(2,093,600)	(982,400)		
<b>Total</b>	<b>\$2,237,000</b>	<b>\$1,361,800</b>	<b>\$2,121,600</b>	<b>\$1,991,200</b>	<b>\$1,482,400</b>	<b>\$0</b>
% Change	0.00	(39.1%)	55.8%	(6.1%)	(25.6%)	

<b>Programs</b>	<b>FY 1995</b>	<b>FY 1996</b>	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
Tank Mitigation	\$2,237,000	\$1,361,800	\$2,121,600	\$1,991,200	\$1,482,400	\$0
<b>Total</b>	<b>\$2,237,000</b>	<b>\$1,361,800</b>	<b>\$2,121,600</b>	<b>\$1,991,200</b>	<b>\$1,482,400</b>	<b>\$0</b>
<b>Expenditures</b>						
Travel	-	-	-	\$500	\$500	-
Current Expense	2,237,000	1,361,800	2,121,600	1,126,900	241,900	
Capital Outlay				863,800	1,240,000	
<b>Total</b>	<b>\$2,237,000</b>	<b>\$1,361,800</b>	<b>\$2,121,600</b>	<b>\$1,991,200</b>	<b>\$1,482,400</b>	<b>-</b>